

## Message Text

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PAGE 01 LA PAZ 05450 091715Z

67

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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R 091700Z JUL 76

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1527

INFO AMEMBASSY LIMA

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E.O. 11652: N/A

TAGS: ECIN, BL

SUBJ: ANDEAN PACT CRISIS: BOLIVIA'S POSITION

1. DEBATE OVER THE DESIRABILITY OF BOLIVIAN PARTICIPATION IN THE ANDEAN PACT HAS MOUNTED IN RECENT WEEKS, CULMINATING IN A CABINET MEETING JULY 3 WHEREIN IT WAS DECIDED TO SEND AN OFFICIAL COMMISSION TO VISIT THE OTHER PACT COUNTRIES. THE COMMISSION, WHICH DEPARTED JULY 7, IS HEADED BY THE SECRETARY GENERAL OF INTEGRATION, WILLY VARGAS, AND INCLUDES REPRESENTATIVES FROM THE MINISTRIES OF FOREIGN RELATIONS AND CULTURE, PLANNING AND COORDINATION, INDUSTRY AND COMMERCE, AND FINANCE. IN ADDITION, PRESIDENT BANZER STATED A MEETING OF PRESIDENTS OF THE ANDEAN PACT COUNTRIES MAY BE AN ALTERNATIVE APPROACH TO RESOLVING PACT PROBLEMS.

2. BOLIVIA'S MAIN PROBLEM WITH THE PACT IS THE INDUSTRIAL SECTOR PROGRAMS, FROM WHICH IT IS FELT BOLIVIA IS RECEIVING LITTLE OR NO BENEFIT. MINISTER OF PLANNING LECHIN IS QUOTED BY PRESS AS HAVING SAID AFTER THE CABINET MEETING JULY 3 "UNTIL NOW THE ANDEAN PACT HAS MEANT ONLY PAPERWORK AND HEADACHES FOR BOLIVIA". THE COMMISSION NOW VISITING OTHER PACT COUNTRIES WILL FOCUS ON A RENEGOTIATION OF

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PAGE 02 LA PAZ 05450 091715Z

BOLIVIA'S PARTICIPATION IN INDUSTRIAL SECTOR PROGRAMS.

3. REPORTS, MAINLY FROM ECUADORIAN MINISTER GALO MONTANO, THAT THE GOB HAD ASSUMED A COMMON POSITION WITH CHILE ON DECISION 24 REVISIONS WERE FLATLY DENIED BY GOB SPOKESMEN. BOLIVIA DOES SUPPORT LIBERALIZATION OF DECISION 24 PROVISIONS, BUT FOR DIFFERENT REASONS THAN CHILE. BOLIVIA'S MAIN INTEREST IS IN ATTRACTING FOREIGN INVESTMENT CAPITAL FOR THE RECENTLY ANNOUNCED FIVE YEAR PLAN. THE PLAN CALLS FOR \$US 3.5 BILLION IN INVESTMENT FROM 1976-1980. (THE PRESIDENT OF BOLIVIA'S CHAMBER OF INDUSTRY RECENTLY PUBLICLY ACCUSED VENEZUELA OF MOUNTING A CAMPAIGN TO IMPEDE NEGOTIATIONS TO LIBERALIZE DECISION 24).

4. PUBLICLY THE GOB MAINTAINS ITS SUPPORT FOR INTEGRATION, STATING THAT THE COMMISSION'S EFFORTS ARE DESIGNED TO PROMOTE BOLIVIA'S INTEREST IN MATTERS STILL UNDER NEGOTIATION AS PART OF DECISION 100 AND THE ADDITIONAL PROTOCOL. IN PRIVATE CONVERSATIONS WITH BOLIVIAN OFFICIALS, HOWEVER, THERE HAS BEEN CONSIDERABLE DOUBT EXPRESSED AS TO THE ADVANTAGES FOR BOLIVIA OF CONTINUED PACT PARTICIPATION.  
STEDMAN

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## Message Attributes

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